NCA
VOC FOR IOP/FN
NEWS ANALYSIS NO. 1-0376 MARCH 17, 1976
GRUNBERG/LONDON

THE WILSON RESIGNATION

ANNCR:

PRIME MINISTER HAROLD WILSON OF BRITAIN MADE THE SURPRISE ANNOUNCEMENT EARLY TUESDAY THAT HE WILL RESIGN AS SOON AS A REPLACEMENT IS FOUND. CORRESPONDENT RON GRUNBERG IN LONDON DISCUSSES THE REASONS FOR THE RESIGNATION AND CONSIDERS ITS IMPACT ON THE POLITICS AND ON THE COUNTRY AS A WHOLE.

VOICE:

IT IS CLEAR MISTER WILSON RESIGNS MAINLY FOR PERSONAL REASONS. HE CLAIMS SATISFACTION AT HIS GOVERNMENT'S JOB ON BOTH ECONOMIC AND FOREIGN POLICY. HE WILL STAY ON AS A BACKBENCHER AFTER HAVING SERVED LONGER THAN ANY PRIME MINISTER DURING PEACE-TIME IN THIS CENTURY.

MISTER WILSON IS GENERALLY CREDITED WITH HOLDING THE INCREASINGLY DIVERGENT SEGMENTS OF HIS LABOR PARTY TOGETHER DURING HIS YEARS OF LEADERSHIP. BUT THE DEBATE OVER HIS IMPACT ON BRITAIN THIS LAST DECADE IS NOT THE MAIN ISSUE RIGHT NOW. IT'S FOR THE POLITICIANS, REPORTERS, HISTORIANS TO DISCUSS AS TIME GOES ON.

RIGHT NOW, PEOPLE IN LONDON WILL BE CONCENTRATING ON FINDING A SUCCESSOR AND FIGURING OUT EXACTLY WHAT THE RESIGNATION MEANS FOR THE POLITICS OF THE LABOR PARTY AND THE GOVERNING OF BRITAIN. THE MOST IMPORTANT QUESTION IS "WHO WILL BE THE NEXT PRIME MINISTERS?"

FOUR MEN ARE GIVEN THE BEST CHANCE TO BE ELECTED BY THE MEMBERS OF THE LABOR PARTY IN PARLIAMENT. JAMES CALLAGHAN,

THE FOREIGN SECRETARY, IS OLDER THAN MISTER WILSON, IN HIS MIDDLE SIXTIES, BUT IT'S THOUGHT HE'S THE BEST QUALIFIED FOR THE DIFFICULT POLITICAL JOB OF HOLDING THE PARTY TOGETHER. CHANCELLOR OF THE EXCHEQUER DENNIS HEALY UNTIL RECENTLY WAS THOUGHT TO HAVE AN EXCELLENT CHANCE TO EVENTUALLY SUCCEED MISTER WILSON. BUT LAST WEEK, HE ANGERED THE LARGE LEFT WING SEGMENT OF THE LABOR PARTY WITH THE VICIOUS, OFTEN PERSONAL ATTACK ON THEM BECAUSE THEY DIDN'T SUPPORT THE GOVERNMENT ON A CRUCIAL VOTE IN THE HOUSE OF COMMONS TO CUT PUBLIC SPENDING BY SIX THOUSAND MILLION DOLLARS.

HOME SECRETARY ROY JENKINS, ALTHOUGH CONSIDERED IN THE RUNNING, MAY HAVE DIFFICULTY BECAUSE THE LEFT REGARD HIM AS A RIGHT WINGER. HE PASSIONATELY CAMPAIGNED FOR BRITAIN TO STAY IN THE COMMON MARKET, AND THE LEFT OPPOSED THAT. FINALLY, THE LEFT SEEMS READY TO PUT FORTH TONY BEN, THE ENERGY MINISTER, WHO, UNLESS NO ONE ELSE CAN BE AGREED TO, SEEMS TO HAVE LITTLE CHANCE. THE ONLY WOMAN WHO'S GIVEN A CHANCE IS SHIRLEY WILLIAMS, ALSO IN THE CABINET.

THE ELECTION PROCESS WILL TAKE AT THE MOST IN A FEW WEEKS, SOME OBSERVERS THINK A GENERAL ELECTION WILL HAVE TO BE CALLED WITHIN THE NEXT YEAR -- ANY NEW LEADER WOULD WANT HIS OR HER OWN MANDATE.

PRIME MINISTER WILSON SAYS HE HAD BEEN PLANNING TO RESIGN FOR SOME TIME, BUT WANTED TO TIME IT RIGHT. HE DIDN'T WANT TO LEAVE WHEN HE ORIGINALLY PLANNED TO, LAST AUTUMN, BECAUSE HIS ECONOMIC POLICIES WERE NOT FIRMLY IN PLACE. NOW, HE CAN BOAST WITH ACCURACY THAT THE POWERFUL TRADE UNION MOVEMENT IN THIS COUNTRY SUPPORTS HIS AUSTERE ECONOMIC MEASURES -- SUCH AS LIMITS ON WAGE INCREASES. THEY HAVE NOT WITHDRAWN THIS

SUPPORT EVEN IN THE FACE OF A MILLION AND A HALF OUT OF WORK. SINCE HE CAME TO OFFICE THE LAST TIME, IN NINETEEN SEVENTY-FOUR, BRITAIN'S MEMBERSHIP IN THE EUROPEAN COMMON MARKET WAS CONFIRMED BY A REFERENDUM. AND THERE HAVE BEEN FEW IF ANY, FOREIGN POLICY SHIFTS.

THE PERIOD NOW IS UNCERTAIN. FIRST, ECONOMIC REACTION WAS UNDERSTANDABLE -- THE POUND DROPPED SLIGHTLY. AND THE NEXT FEW WEEKS MAY SEE JITTERY REACTIONS LIKE THIS. BUT IT SEEMS HAROLD WILSON HAS BROUGHT A STABILITY WHICH WILL SEE THE LEADERSHIP CRISIS THROUGH. WHEN A NEW LEADER OF THE LABOR PARTY GOES IN THE NEXT FEW WEEKS TO BUCKINGHAM PALACE TO ASK TO FORM A NEW GOVERNMENT, THERE OUGHT TO BE A SMOOTH TRANSITION.

JS/PY